

ARREST FORMER MEMBER ROUGE MAYOR

COUNCIL PLANS
RAISE IN CITY
OFFICIALS' PAY

Ordinance Proposes Increase
for Fire and Police Chiefs
and Others.

MAYOR APPROVES PLAN
Supporters of Measure Say Local
Executives Are Poorest
Paid in State.

An ordinance proposing the increasing of yearly salaries of the chief of police, fire chief, street commissioner, deputy street commissioner, clerk of the board of public works and clerk of the board of safety was introduced at a special meeting of the common council last night, and referred to the committee of the whole for further consideration.

The increases proposed by the new ordinance include: Chief of Police Lawrence J. Lane from \$2500 to \$3000; Fire Chief Irving Sibril from \$2500 to \$3000; Street Commissioner D. C. Layton from \$1800 to \$2100; Dep. Street Commissioner J. W. Flies from \$1500 to \$1800; Clerk of the Board of Works Veronica C. Sweeney from \$1500 to \$1800; Clerk of the Board of Safety Paul A. Heilmann from \$1500 to \$1800.

Mayor Approves
The question of increasing the salaries of the above-mentioned officials has been under consideration for some time and has the endorsement of Mayor Seibert. The ordinance will place the persons affected on the same rating as similar officials in cities of the same class as South Bend.

The local police and fire chiefs are said to be the most poorly paid of any chiefs in the state in similar classifications, according to reports submitted by the state department, while the same is said to be true of the other officials affected by the proposed increase.

An ordinance prohibiting the burning of paper, cloth or other material on any dumping grounds in the city, declaring such acts to be a nuisance and providing a penalty for its violation was referred to the committee of the whole, as was the ordinance requiring the New York Central railway to maintain gates at the intersections of their right of way at Levee st., High st. and Miami st.

Bond Approved
An ordinance appropriating \$1,743.43 from the general fund of the city to the miscellaneous fund of the board of park commissioners was adopted.

SURVIVOR OF GREAT
CUSTER MASSACRE DIES

NEW YORK, Dec. 26.—(By A. P.)—John Martin, who claimed to be the last survivor of the Custer massacre on the Little Big Horn river, will be buried tomorrow in Cypress Hills cemetery. He died in a Brooklyn hospital Sunday at the age of 62.

COURT OFFICIALS
INTERPRET RULING

Declare Recent Decision on
Taxing Securities Has
Been Misconstrued.

WASHINGTON, Dec. 26.—(By A. P.)—Reports that Tax Commissioner Hylan of West Virginia had ordered assessors in that state to assess all United States government bonds for state, county and municipal taxation and the receipt of many inquiries as to the exact nature of a recent Supreme court decision on it, caused court officials to direct attention to what they stated was a widely circulated misinterpretation of the court's ruling.

The decision in question was rendered in a case brought from Oklahoma by the People's National bank of Kingfisher, which sought to have reversed a ruling of the Supreme court of that state holding that in determining the value of the shares of stock of a national or state bank for the purposes of taxation, no deduction would be made on account of the capital, surplus and undivided profits of the bank invested in securities which are otherwise exempt from taxation.

Court officials pointed out it had been reported that the court had held that liberty bonds and other federal tax exempt securities could be taxed by states. This, they stated, had not been the purpose of the decision. In explanation, they declared the Supreme court of Oklahoma held that in the case of the state assessing state or national banks, the tax was not against a corporation upon its moneyed capital, surplus and undivided profits, but was levied against the shares of stock in the hands of stockholders.

TAFT RECOVERS
WASHINGTON, Dec. 26.—Chief Justice Taft continues to make a satisfactory recovery from his recent operation and may be able to appear on the bench next week.

Chinatown Is Thrilled As
'Flapper' Again Disappears

Gorgeously Decorated Bridal Chamber and Wedding Jewels
Await as Mildred Wenn, After Returning Home,
Once More Vanishes From Scene.

NEW YORK, Dec. 26.—(By A. P.)—The twisted streets of Chinatown, which have pulsated with subdued gossip since Mildred Wenn, 19-year-old Chinese "flapper," ran away from her Washington home Friday almost on the eve of her wedding to George Num Lee, action of one of the Chinese families in New York, had some added thrills today.

The first came when word was passed that Miss Wenn had returned to her home and that George Lee, whose father is president of the On Leong Tong in the United States, had rushed to her on the first Washington train this morning.

Then, about noon, almond-eyed inhabitants of Mott st., congregated about the Lee home at No. 32, saw two black shiny wardrobe trunks unloaded and lugged up five winding flights of stairs by truckmen of the Canton Transfer Co. Boldly across the end of each trunk, in black red letters, was the legend "M Wenn."

Still No Bride.
The trousseau had arrived, but still no bride.

A little while later Lee Quon, tong chief and prospective father-in-law, hurried from the house and, according to neighbors, took a train for Washington.

This gave added sweep to rumors that the Americanized Mildred Wenn had put her tiny foot down on the Chinese tradition that a bride must go to her husband, and had delivered an ultimatum that there would be no wedding unless it was solemnized in her home in Washington.

The elder Chinese of Mott, Pell and Doyers sts., making whatever emotions they may have behind imperturbable faces, shook their heads and kept their silence before the little army of reporters that invaded their city within a city.

Members of the younger generation were less reserved, but still could not add much to the story of the disappointed bridegroom and the trousseau wedding feast.

All They Knew
All they knew was that George Num Lee had expected his betrothed to arrive on Christmas eve and that she didn't; that thousands of dollars had been spent on jewels for the bride and for a wedding feast, but that the jewels had not yet found

their way to the bride's finger.

The Gilmore, searching for the Cornell since she disappeared last Thursday, was working her way along the Canadian shore when the lookout sighted a yawl. The tug was hove to and picked up the little craft about 13 miles off Port Colborne.

Payton's body, tightly clad, was lying in the bottom of the yawl. Marks on the head and face indicated he had been scalded, leading the rescuers to believe that the Cornell while proceeding from Cleveland to Buffalo, was the victim of a boiler explosion.

Members of the Gilmore crew, after picking up the body, searched for wreckage, but they reported that the yawl was the only sign of the Cornell in that region.

The body of the sailor was taken to the Erie morgue. It was identified by letters found in the man's pockets.

U. S. TO INVESTIGATE

CLEVELAND, O., Dec. 25.—(By A. P.)—With the finding of the lifeboat and the corpse of one of the eight members of the crew of the tug Cornell, which disappeared Thursday, the mystery surrounding the exact fate of the Cornell remains unsolved. Search for the vessel and other members of the crew will continue. It was announced by the Great Lakes Towing Co. tonight.

The lifeboat containing the body of Michael Payton, fireman of the Cornell, and found between Long Point and Port Colborne on the Canadian side of Lake Erie by the tug A. J. Gilmore today.

In this mute trace of evidence there was nothing to indicate definitely whether the tug sank after a boiler explosion, burned, ran aground or heavy ice floes, or foundered in a heavy sea.

A federal investigation into the disappearance of the tug will be started within a few days. Capt. Thomas W. Gould, United States lifeboat inspector in the Cleveland district, said tonight. The investigation will take place here or in Buffalo, in which district the lifeboat and the corpse were found.

Capt. Gould gave assurance that rumors as to the unseaworthiness of the Cornell will be thoroughly investigated. "If any licensed officer is found to be at fault, we can

(Continued on Page Two.)

KAHN PLAN FOR
SETTLING DEBTS
COOLY RECEIVED

Members of Debt Funding
Body Say Proposal Not Feasible
Under Law.

CONGRESSMEN OPPOSED
Rep. Frear of Wisconsin Attacks
Scheme and Its Author's
Motives.

WASHINGTON, Dec. 26.—(By A. P.)—The solution of America's foreign debt problem as proposed by Otto H. Kahn, the New York banker, failed generally to strike a responsive chord today in official circles in Washington.

Members of the American debt funding commission took note of Mr. Kahn's proposal that the United States draw \$100 million from the \$500 million dollars loaned to foreign countries before the armistice and \$500 million loaned after hostilities ceased and arrange differing methods of repayment, but pointed out that the act of congress creating the commission would permit no such differentiation, even if considered advisable.

Members of congress generally expressed opposition to the New York banker's suggestion that at least a portion of the debt be cancelled, several leaders in both the senate and the house declaring the American people were in no mood to approve any such action.

Frear Attacks Proposal.
The views of Mr. Kahn, presented in a letter to Sen. Smoot of Utah, a member of the debt funding commission, would draw particular fire from a Republican member of the ways and means committee, who addressed a letter to Mr. Smoot, declaring that "the commission should apprise foreign governments at an early date of the situation of the debt."

Mr. Kahn and that he does not speak for the commission, for the congress nor for the American people.

Mr. Smoot had not received Mr. Kahn's letter today and said he would not discuss it until he had received it and studied the propositions set forth. Other members of the commission, however, were quick to declare that the commission could do nothing toward liquidating the debt as suggested by the banker.

The commission, they pointed out, was permitted to do only three things with the debts—allow the postponement of payment of principal for not longer than 25 years, the rate of interest at not less than 4 1/2 percent and to authorize funding of the interest along with the principal for not longer than 25 years.

The most that the debt commission could do in line with the Kahn suggestion, it was pointed out by a commission member, would be to present recommendations to congress if study found that it was impossible to proceed with the authorization of congress.

Charges Propaganda.
Rep. Frear, in his letter, pointed to Mr. Kahn's German birth, his subsequent British naturalization and to his membership in Kahn, (Continued on Page Two.)

COMMISSION VOTE
IS FRENCH VICTORY

Reparations Body Declares
Germany in Default in
Wood Deliveries.

PARIS, Dec. 26.—(By A. P.)—France gained an important victory in the allied reparations commission today when the commission by a vote of 3 to 1 declared Germany in voluntary default in her wood deliveries.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

United States' Oldest
Telegraph Operator Is
Put On Retired List

Members of Debt Funding
Body Say Proposal Not Feasible
Under Law.

CONGRESSMEN OPPOSED
Rep. Frear of Wisconsin Attacks
Scheme and Its Author's
Motives.

WASHINGTON, Dec. 26.—(By A. P.)—The solution of America's foreign debt problem as proposed by Otto H. Kahn, the New York banker, failed generally to strike a responsive chord today in official circles in Washington.

Members of the American debt funding commission took note of Mr. Kahn's proposal that the United States draw \$100 million from the \$500 million dollars loaned to foreign countries before the armistice and \$500 million loaned after hostilities ceased and arrange differing methods of repayment, but pointed out that the act of congress creating the commission would permit no such differentiation, even if considered advisable.

Members of congress generally expressed opposition to the New York banker's suggestion that at least a portion of the debt be cancelled, several leaders in both the senate and the house declaring the American people were in no mood to approve any such action.

Frear Attacks Proposal.
The views of Mr. Kahn, presented in a letter to Sen. Smoot of Utah, a member of the debt funding commission, would draw particular fire from a Republican member of the ways and means committee, who addressed a letter to Mr. Smoot, declaring that "the commission should apprise foreign governments at an early date of the situation of the debt."

Mr. Kahn and that he does not speak for the commission, for the congress nor for the American people.

Mr. Smoot had not received Mr. Kahn's letter today and said he would not discuss it until he had received it and studied the propositions set forth. Other members of the commission, however, were quick to declare that the commission could do nothing toward liquidating the debt as suggested by the banker.

The commission, they pointed out, was permitted to do only three things with the debts—allow the postponement of payment of principal for not longer than 25 years, the rate of interest at not less than 4 1/2 percent and to authorize funding of the interest along with the principal for not longer than 25 years.

The most that the debt commission could do in line with the Kahn suggestion, it was pointed out by a commission member, would be to present recommendations to congress if study found that it was impossible to proceed with the authorization of congress.

Charges Propaganda.
Rep. Frear, in his letter, pointed to Mr. Kahn's German birth, his subsequent British naturalization and to his membership in Kahn, (Continued on Page Two.)

COMMISSION VOTE
IS FRENCH VICTORY

Reparations Body Declares
Germany in Default in
Wood Deliveries.

PARIS, Dec. 26.—(By A. P.)—France gained an important victory in the allied reparations commission today when the commission by a vote of 3 to 1 declared Germany in voluntary default in her wood deliveries.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

ARMENIANS ARE
STORM CENTER
OF CONFERENCE

Members of Debt Funding
Body Say Proposal Not Feasible
Under Law.

CONGRESSMEN OPPOSED
Rep. Frear of Wisconsin Attacks
Scheme and Its Author's
Motives.

WASHINGTON, Dec. 26.—(By A. P.)—The solution of America's foreign debt problem as proposed by Otto H. Kahn, the New York banker, failed generally to strike a responsive chord today in official circles in Washington.

Members of the American debt funding commission took note of Mr. Kahn's proposal that the United States draw \$100 million from the \$500 million dollars loaned to foreign countries before the armistice and \$500 million loaned after hostilities ceased and arrange differing methods of repayment, but pointed out that the act of congress creating the commission would permit no such differentiation, even if considered advisable.

Members of congress generally expressed opposition to the New York banker's suggestion that at least a portion of the debt be cancelled, several leaders in both the senate and the house declaring the American people were in no mood to approve any such action.

Frear Attacks Proposal.
The views of Mr. Kahn, presented in a letter to Sen. Smoot of Utah, a member of the debt funding commission, would draw particular fire from a Republican member of the ways and means committee, who addressed a letter to Mr. Smoot, declaring that "the commission should apprise foreign governments at an early date of the situation of the debt."

Mr. Kahn and that he does not speak for the commission, for the congress nor for the American people.

Mr. Smoot had not received Mr. Kahn's letter today and said he would not discuss it until he had received it and studied the propositions set forth. Other members of the commission, however, were quick to declare that the commission could do nothing toward liquidating the debt as suggested by the banker.

The commission, they pointed out, was permitted to do only three things with the debts—allow the postponement of payment of principal for not longer than 25 years, the rate of interest at not less than 4 1/2 percent and to authorize funding of the interest along with the principal for not longer than 25 years.

The most that the debt commission could do in line with the Kahn suggestion, it was pointed out by a commission member, would be to present recommendations to congress if study found that it was impossible to proceed with the authorization of congress.

Charges Propaganda.
Rep. Frear, in his letter, pointed to Mr. Kahn's German birth, his subsequent British naturalization and to his membership in Kahn, (Continued on Page Two.)

COMMISSION VOTE
IS FRENCH VICTORY

Reparations Body Declares
Germany in Default in
Wood Deliveries.

PARIS, Dec. 26.—(By A. P.)—France gained an important victory in the allied reparations commission today when the commission by a vote of 3 to 1 declared Germany in voluntary default in her wood deliveries.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

Romance Over
DR. M'KONIN HELD
IN CUSTODY ON
MURDER CHARGE

Members of Debt Funding
Body Say Proposal Not Feasible
Under Law.

CONGRESSMEN OPPOSED
Rep. Frear of Wisconsin Attacks
Scheme and Its Author's
Motives.

WASHINGTON, Dec. 26.—(By A. P.)—The solution of America's foreign debt problem as proposed by Otto H. Kahn, the New York banker, failed generally to strike a responsive chord today in official circles in Washington.

Members of the American debt funding commission took note of Mr. Kahn's proposal that the United States draw \$100 million from the \$500 million dollars loaned to foreign countries before the armistice and \$500 million loaned after hostilities ceased and arrange differing methods of repayment, but pointed out that the act of congress creating the commission would permit no such differentiation, even if considered advisable.

Members of congress generally expressed opposition to the New York banker's suggestion that at least a portion of the debt be cancelled, several leaders in both the senate and the house declaring the American people were in no mood to approve any such action.

Frear Attacks Proposal.
The views of Mr. Kahn, presented in a letter to Sen. Smoot of Utah, a member of the debt funding commission, would draw particular fire from a Republican member of the ways and means committee, who addressed a letter to Mr. Smoot, declaring that "the commission should apprise foreign governments at an early date of the situation of the debt."

Mr. Kahn and that he does not speak for the commission, for the congress nor for the American people.

Mr. Smoot had not received Mr. Kahn's letter today and said he would not discuss it until he had received it and studied the propositions set forth. Other members of the commission, however, were quick to declare that the commission could do nothing toward liquidating the debt as suggested by the banker.

The commission, they pointed out, was permitted to do only three things with the debts—allow the postponement of payment of principal for not longer than 25 years, the rate of interest at not less than 4 1/2 percent and to authorize funding of the interest along with the principal for not longer than 25 years.

The most that the debt commission could do in line with the Kahn suggestion, it was pointed out by a commission member, would be to present recommendations to congress if study found that it was impossible to proceed with the authorization of congress.

Charges Propaganda.
Rep. Frear, in his letter, pointed to Mr. Kahn's German birth, his subsequent British naturalization and to his membership in Kahn, (Continued on Page Two.)

COMMISSION VOTE
IS FRENCH VICTORY

Reparations Body Declares
Germany in Default in
Wood Deliveries.

PARIS, Dec. 26.—(By A. P.)—France gained an important victory in the allied reparations commission today when the commission by a vote of 3 to 1 declared Germany in voluntary default in her wood deliveries.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

The decision of the commission was immediately communicated to the allied governments for their action. It may have a vital effect on the reparations problem if France can retain the support of Italy and Belgium when the reparations question is discussed at the January meeting of the premiers.

Germany's voluntary default in her wood deliveries for 1923, Belgium and Italy voted in favor of the declaration while Great Britain cast its ballots against it.

Romance Over
DR. M'KONIN HELD
IN CUSTODY ON
MURDER CHARGE

Members of Debt Funding
Body Say Proposal Not Feasible
Under Law.

CONGRESSMEN OPPOSED
Rep. Frear of Wisconsin Attacks
Scheme and Its Author's
Motives.

WASHINGTON, Dec. 26.—(By A. P.)—The solution of America's foreign debt problem as proposed by Otto H. Kahn, the New York banker, failed generally to strike a responsive chord today in official circles in Washington.

Members of the American debt funding commission took note of Mr. Kahn's proposal that the United States draw \$100 million from the \$500 million dollars loaned to foreign countries before the armistice and \$500 million loaned after hostilities ceased and arrange differing methods of repayment, but pointed out that the act of congress creating the commission would permit no such differentiation, even if considered advisable.

Members of congress generally expressed opposition to the New York banker's suggestion that at least a portion of the debt be cancelled, several leaders in both the senate and the house declaring the American people were in no mood to approve any such action.

Frear Attacks Proposal.
The views of Mr. Kahn, presented in a letter to Sen. Smoot of Utah, a member of the debt funding commission, would draw particular fire from a Republican member of the ways and means committee, who addressed a letter to Mr. Smoot, declaring that "the commission should apprise foreign governments at an early date of the situation of the debt."

Mr. Kahn and that he does not speak for the commission, for the congress nor for the American people.

Mr. Smoot had not received Mr. Kahn's letter today and said he would not discuss it until he had received it and studied the propositions set forth. Other members of the commission, however, were quick to declare that the commission could do nothing toward liquidating the debt as suggested by the banker.

The commission, they pointed out, was permitted to do only three things with the debts—allow the postponement of payment of principal for not longer than 25 years, the rate of interest at not less than 4 1/2 percent and to authorize funding of the interest along with the principal for not longer than 25 years.